A Publication of Communication Channels, Inc.

DECEMBER 1983

AMERICAN CITY & COUNTY

administration

Kentucky Capitol Capitalizing On Computerized Energy System

District Heating Getting Into Hot Water

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As energy rates become a greater concern, local governments are looking for ways to reduce their energy bills. Frankfort, Kentucky, has installed a computerized energy management system which governs the State Capitol and 19 other buildings.

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MUNICIPAL COST INDEXES

Compiled by Jeff Atkinson

The **Municipal Cost Index** rose 0.2 percent for the month due to gains in the **Producer Price Index** and **Consumer Price Index**. A slight decrease in the **ACC Construction Cost Index** for construction and building material costs helped hold down the rise in the **Municipal Cost Index**. The Commerce Department reported that construction spending rose to a seasonally adjusted rate of $276.1 billion for the month.

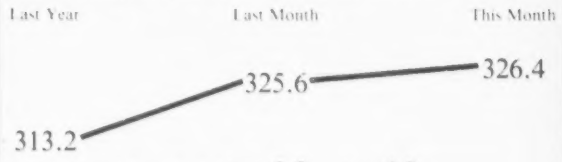
The rise in producer prices, particularly in some of the industrial categories, still has some analysts predicting an increase in the inflation rate for the first quarter of 1984. However, a decline in interest rates during the presidential election year could spur economic growth, which could stabilize prices for municipalities and consumers while holding down interest rates.

THIS MONTH'S MARKETBASKET

	Current Index	Percent Change From: Last Month	Last Year
Air Conditioners	143.3	0	4.1
Apparel	197.3	0.1	1.1
Asphalt Roofing	381.9	−0.5	−4.5
Books	121.9	0.2	6.8
Chemicals, Industrial	348.5	2.9	−0.2
Coal	534.0	−0.3	−0.9
Concrete Products	302.3	0	1.1
Construction Machinery	352.8	0	1.8
Diesel Fuel	687.0	0.8	−13.7
Electric Lamps	313.6	0.1	9.2
Electric Power	425.9	0.2	2.7
Electric Components	185.4	0.1	5.6
Engines, I.C.	341.6	0.1	2.6
Fans and Blowers	337.0	0	0.7
Fertilizers, Mixed	258.1	−0.7	−4.5
Floor Coverings	188.1	1.6	3.9
Footwear	250.1	0.1	1.0
Foundry Products	350.6	−0.1	1.8
Fuel Oil No. 2	726.8	0.7	−13.7
Furniture, Commercial	287.2	−0.2	3.3
Gasoline	626.3	0.8	−9.7
Generator Sets	333.7	0.9	7.9
Glass	229.7	0	3.9
Glass Containers	351.3	−0.1	−1.9
Gypsum Products	289.2	4.8	13.9
Hardware	289.8	0	2.5
Heating Equipment	244.8	0.3	2.7
HVAC Controls	121.4	−0.1	6.7
LP Gas	726.2	−0.5	20.5
Lubricants	350.0	0	−0.5
Lumber	366.6	1.1	17.7
Metal Fabrications	302.8	0.2	−0.5
Millwork	307.7	3.9	9.8
Motor Vehicle Parts	351.0	−0.5	1.8
Mowers	250.1	−1.5	1.5
Natural Gas	1420.5	−0.2	3.3
Office Machines	154.7	0.1	1.5
Paint	265.7	0	0.4
Paper	281.0	−0.2	−1.5
Passenger Cars	218.4	0.4	1.6
Plumbing Fixtures	291.9	−0.1	6.3
Plywood	244.8	−3.0	6.9
Portland Cement	344.6	1.4	2.0
Pumps	345.3	−0.7	−0.7
Residual Fuel	1151.5	2.6	−7.9
Sand and Gravel	286.1	0	1.9
Sanitary Papers	360.8	0.6	1.1
Soaps, Detergents	261.5	0	2.8
Sporting Goods	206.6	0.1	−0.4
Steel Mill Products	351.4	0.4	0.8
Struc. Clay Prod.	281.7	0	6.7
Switchgear	269.7	0.8	2.2
Tires and Tubes	242.4	−6.0	−0.1
Transformers	223.4	−0.3	−0.5
Trucks	313.6	0	3.5
Valves	99.8	−0.1	N/A
Wire and Cable	204.4	0	1.4
Wiring Devices	335.9	−0.1	3.3

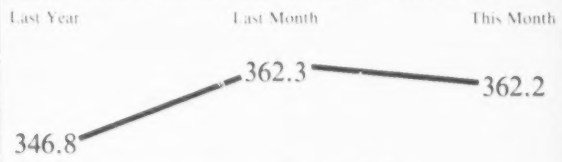
At-A-Glance Changes

ACC MUNICIPAL COST INDEX



Percent Change From Last: Month **0.2** Year **4.2**

ACC CONSTRUCTION COST INDEX

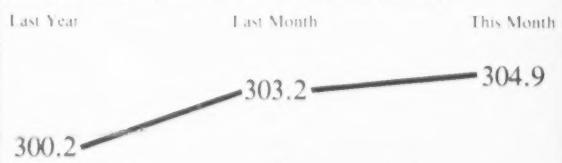


Percent Change From Last: Month **0** Year **4.4**

CONSUMER PRICE INDEX (BLS)

Percent Change From Last: Month **0.3** Year **2.6**

PRODUCER PRICE INDEX (BLS)



Percent Change From Last: Month **0.6** Year **1.6**

QUARTERLY MUNICIPAL TRENDS

	Current Level	Percent Change From: Last Qtr.	Last Year
Receipts	461.7B	2.4	7.8
Federal Grants	86.5B	0.8	1.6
Durable Purchases	14.2B	2.2	7.6
Consumables	31.2B	1.3	0
Services	325.4B	1.8	7.7
Structures	37.7B	−4.6	−7.6
Salaries, Wages	238.1B	1.8	7.7
Surplus	40.4B	22.8	40.1
Employment	12.855M	−0.7	−1.6

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